REMARKS

This application has been carefully reviewed in light of the Office Action dated December 7, 2005. Claims 1-30 are now pending in this application. Claims 1, 10, 23, and 30 are the independent claims. Favorable reconsideration is respectfully requested.

In response to the Office Action's objection to the disclosure for failing to include header sections, Applicants gratefully acknowledge the suggestion, however respectfully declines to add the headings as they are not required in accordance with MPEP \$608.01(a).

On the merits, the Office Action rejected Claims 1-18 under 35 U.S.C. § 102(e) as being anticipated by Lee (U.S. Patent No. 6,671,506; hereinafter "Lee"). The Office Action also rejected Claims 19 and 26 under 35 U.S.C. § 103(A) as being unpatentable over Lee. The Office Action also rejected Claims 20-25 and 27-29 under 35 U.S.C. § 103(a) as being unpatentable over Lee in view of Vucetic et et al. (U.S. Patent No. 5,819,177; hereinafter "Vucetic"). Applicant respectfully traverses the rejections for at least the following reasons:

Lee fails to recite or suggest a base station of the telecommunication system which switches over to a different user rate in response to the reception of the second signal. Rather, Lee requires base station 60 to transmit call information to a N:\UserPublic\WX\Amendments\2006 Amendments\DE000224.amd.doc

JUN-07-2006 18:40 PHILIPS IP AND S 914 332 0615 P.13

separate mobile exchange 70. Mobile exchange 70 transmits the call information to a separate billing center 140. Billing center 140 selects NSN or MDN rates. The billing center 140 calculates the call charge of the terminal. (See, e.g., Col. 5, lines 20-45) This fails to recite or suggest a base station which switches rates itself. Rather, Lee requires two separate and removed elements of a mobile exchange and a billing center. This requirement appears to be at least partially due to the fact that Lee switches from wired-based rates to mobile rates and would therefore be unsuitable for switching between mobile radio network rates. Thus Applicant respectfully traverses the rejection of Claim 1 over Lee.

Claims 10 and 23 recite a system and a fixed station, respectively, substantially corresponding to the method of Claim 1 and are believed patentable for at least the same reasons.

Claims 2-9, 11-18, 20-22, and 24-29 depend from one or another of the independent claims discussed above and are believed patentable for at least the same reasons. In addition, Applicant respectfully believes Claims 2-9, 11-18, 20-22, and 24-29 to be independently patentable and request separate consideration of each claim. Further, Applicant respectfully believes the § 103 rejections of claims 19-29 to be moot in light of the above remarks and respectfully requests their withdrawal.

In view of the foregoing remarks, Applicant respectfully requests favorable reconsideration and early passage to issue of the present N:\UserPublic\WX\Amendments\2006 Amendments\DE000224.amd.doc 11

JUN-07-2006 18:40 PHILIPS IP AND S 914 332 0615 P.14

application. Please charge any additional fees which may now or in the future be required in this application, including extension of time fees and fees for claims added upon amendment, but excluding the issue fee unless explicitly requested to do so, and credit any overpayment, to Deposit Account No. 14-1270.

Applicant's undersigned attorney may be reached by telephone at the number given below.

Respectfully submitted,

Aaron Waxler,

Reg. 48,027 (914) 333-9608

June 7, 2006